

RESOLUTION 2005-25

A RESOLUTION CONCERNING THE APPLICATION OF RIH ACQUISITIONS IN, LLC TO ACQUIRE SUBSTANTIALLY ALL OF THE ASSETS OF SHOWBOAT MARINA CASINO PARTNERSHIP

The Indiana Gaming Commission ("Commission") adopts the following resolution pursuant to the authority granted to it under IC 4-33 and pursuant to 68 IAC 1-2-6.

The following factors have been considered by the Commission:

1. RIH Acquisitions IN, LLC ("Resorts") has entered into an asset purchase agreement to acquire substantially all of the assets of Showboat Marina Casino Partnership ("Harrah's East Chicago"), which is a wholly owned subsidiary of Harrah's Entertainment, Inc. and the current holder of an Indiana riverboat owner's license. The asset purchase includes Resorts' acquisition of three additional casino properties: (1) Bally's Tunica, (2) Harrah's Tunica, and (3) the Atlantic City Hilton Hotel. After closing, Resorts will be the entity that holds the Indiana riverboat owner's license to own and manage a riverboat gambling operation in East Chicago, Indiana.
2. Resorts has indicated and established to the Commission's satisfaction that it has sufficient funds at its disposal to finance this acquisition.
3. Resorts, Harrah's, the City of East Chicago, and other interested parties have addressed the Commission concerning this acquisition.
4. The Commission has received a confidential financial analysis of the transaction from Dr. A. Charlene Sullivan in which she recommends approval of the license transfer.
5. The Indiana State Police, Background Investigative Unit has completed a background investigation of Resorts and has presented a report to the Commission for review.
6. As an institutional investor in the larger asset purchase, of which Resorts' acquisition of Harrah's East Chicago is a part, it is estimated that Bullshead Holdings, Ltd. ("Bullshead"), holds between a five percent (5%) and seven percent (7%) interest in Resorts, such that Bullshead may be construed as a "Substantial Owner" as defined in 68 IAC 1-1-86.
7. In Correspondence dated March 10, 2005 and March 28, 2005, Resorts has requested that pursuant to 68 IAC 2-1-13 and 68 IAC 5-1-8, the Commission waive, to the extent it may be necessary under Title 68 of the Indiana Administrative Code, any requirement that Bullshead file a Form PD-1 or its equivalent (a Transfer of Ownership Application), and undergo a suitability investigation in connection with this transaction.
8. Bullshead is part of the investment portfolio of the IBM global benefit pension plan which holds in excess of \$40 billion in assets.
9. Bullshead is, in all aspects, a completely passive investor in the transaction, possessing neither voting ability nor any control over either the investment or the gaming operation.

**NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA GAMING COMMISSION,
THAT THE FOLLOWING RESOLUTION IS ADOPTED:**

SECTION 1: SCOPE

This resolution applies to RIH Acquisitions IN, LLC and Showboat Marina Casino Partnership.

SECTION 2: DEFINITIONS

The definitions set forth in IC 4-33-2 and 68 IAC apply to this resolution.

**SECTION 3: ACTION ON THE APPLICATION FOR APPROVAL OF TRANSFER OF
OWNERSHIP BY RIH ACQUISITIONS IN, LLC**

The Commission hereby:

GRANTS

(GRANTS OR DENIES)

the request of RIH Acquisitions IN, LLC to waive any requirement that Bullshead Holdings, Ltd. file a Form PD-1, or its equivalent (Transfer of Ownership Application), and undergo a suitability investigation in connection with this transaction because: (a) requiring Bullshead to undergo a suitability investigation is impractical and burdensome; (b) a waiver is in the best interest of the public and of the gaming industry; and (c) a waiver is not outside the technical requirements necessary to serve the purpose of the applicable regulations.

The Commission hereby:

GRANTS

(GRANTS OR DENIES)

the application of RIH Acquisitions IN, LLC for the acquisition of substantially all of the assets of Showboat Marina Casino Partnership, which is a wholly owned subsidiary of Harrah's Entertainment, Inc. and the current holder of an Indiana riverboat owner's license to own and manage a riverboat gambling operation in East Chicago, Indiana.

The Commission's granting of RIH Acquisitions, IN LLC's application and acquisition shall be subject to its acceptance of the continuing condition that it remain in full compliance with all applicable laws and regulations pertaining to this license transfer and acquisition, and to the operation of a riverboat gambling operation in Indiana.

SECTION 4: EFFECTIVE DATE

This resolution becomes effective as of 3:00 p.m. on April 22, 2005.

ADOPTED THIS THE 21st DAY OF APRIL, 2005.

THE INDIANA GAMING COMMISSION:

Harold Calloway, Chair

ATTEST:

Secretary